



# South Carolina Department of Insurance


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## BULLETIN NUMBER 2015-02

TO: Insurers Writing Credit Property Insurance in South Carolina in Conjunction with  
Consumer Credit Transactions subject to 1966 S.C. Act No. 988, Consumer Finance Law

FROM: Raymond G. Farmer  
Director 

SUBJECT: Notice of Tentative Credit Property Insurance Rates and Opportunity to Request a Hearing

DATE: July 31, 2015

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### I. NOTICE OF TENTATIVE CREDIT PROPERTY INSURANCE RATES

Regulation 69-11.1, Regulation of Credit Insurance, requires the South Carolina Department of Insurance to promulgate tentative rates for credit property insurance by August 1 of each year. The tentative rates are those the Department believes may reasonably be expected to produce a loss ratio of not less than fifty percent (50%) in the following calendar year. This bulletin constitutes official notice of the tentative rates for 2016.

The Department has reviewed past loss experience for credit property insurance written in conjunction with consumer credit transactions subject to the Consumer Finance Law. The aggregate 2014 loss ratio at prima facie rates is twenty-four and six tenths percent (24.6%). The aggregate 2013 loss ratio at prima facie rates is twenty-three and six tenths percent (23.6%). Both loss ratios reflect the rate decrease of fifty-seven and eight tenths percent (57.8%) effective January 1, 2008 as well as the decreases effective January 1, 2013 and January 1, 2014 and the increase effective January 1, 2015.

The tentative rates expressed as a percentage of the total amount of the loan are as follows:

<u>Coverage</u>	<u>Tentative Rates</u>
Automobile, Fire and Theft – Single Interest	.0093 percent
Automobile Collision – Single Interest	.0348 percent
Household Goods – Single Interest	.0336 percent
Household Goods – Dual Interest	.0102 percent

## **II. OPPORTUNITY FOR A HEARING**

Regulation 69-11.1.C.(4) provides that “every insurer which feels aggrieved by any of the rates so promulgated shall have fifteen days to request a public hearing with respect to such rate or rates.” Accordingly, all requests for a hearing must be submitted to the Department in writing on or before August 15, 2015. Please direct any requests for a hearing to the attention of:

Steve Dubois  
South Carolina Department of Insurance  
Post Office Box 100105  
Columbia, South Carolina 29202-3105

All requests must include documentation supporting your position that the tentative rates for credit property insurance need to be changed. After all such hearings have been held, the final rate or an affirmation of the tentative rate shall be sent to all companies before October 1, 2015.

## **III. QUESTIONS**

Any questions or concerns about this Bulletin should be submitted in writing to the attention of:

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P&C Actuary  
South Carolina Department of Insurance  
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Columbia, South Carolina 29201  
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